

Sizing Algorithm For Deposit Currency!

Current

This is our current sizing algorithm that Belinda 2.0 uses:

```
Lots = Risk * 0.01 * AccountBalance() / (MarketInfo(Symbol(),MODE_LOTSIZE) * StopLoss * P * Point);
```

The issue with this is that the algorithm assumes our account deposit currency is the same as our quote currency (usually USD). The deposit currency is the currency our capital is held in.

Example:

We have 10,000EUR in our account and we want to risk 1% per trade. Instead of risking 100EUR a trade, the Robot will risk 100USD per trade (which is equivalent to 80EUR at the time of this writing).

Improved

This algorithm solves the problem:

```
Lots = Risk * 0.01 * AccountBalance() /  
(MarketInfo(Symbol(),MODE_LOTSIZE) * MarketInfo(Symbol(),MODE_TICKVALUE) * StopLoss * P *  
Point);
```

It multiplies the denominator to convert the 100,000 of the base currency (our lot size) to 100,000 of our deposit currency.

Tick Value is value of one tick¹ of the quote currency, in the account deposit currency, for one standard lot. Think of Tick Value as the exchange rate between your quote and deposit currency. We are using it to convert the currency of your betting amount to your deposit currency.

Note: If we are trading on a yen currency pair, multiply Amount to Bet by 100 to account for the different decimal place (Since 1 pip = 0.01 on a yen pair, 1 pip = 0.0001 on a non-yen pair). We will talk about this in future lectures.

2nd note: This sizing algorithm is only meant for Forex. We will discuss another all-purpose sizing algorithm the later part of the course.

Documentation

http://docs.mql4.com/constants/environment_state/marketinfoconstants

¹ One Tick = The smallest price increments we can have for the product we are trading.